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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. 05 CV 01114 JW **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF ITS MOTION FOR LEAVE TO FILE A MOTION FOR RECONSIDERATION OF CERTAIN CLAIM CONSTRUCTION TERMS CONSTRUED BY THE COURT IN ITS THIRD CLAIM CONSTRUCTION ORDER AND ITS FOURTH CLAIM CONSTRUCTION ORDER** DATE: May 7, 2007 TIME: 9:00 a.m. CTRM: Hon. James Ware

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I. INTRODUCTION

Pursuant to this Court's Civil Local Rule 7-9, Acacia may not file a motion for reconsideration relating to this Court's Third and Fourth Claim Construction Orders unless leave of court to file such a motion is first granted

By this motion, Acacia seeks leave to file such a motion for reconsideration on certain discreet terms which meet the requirements for reconsideration, and requests the Court to establish a briefing schedule for the filing of such a motion. Although this request for leave sets forth the bases for reconsideration sufficient to meet the requirements of Local Rule 7-9, this document is not intended as the motion for reconsideration itself, which will more thoroughly explain to the Court, with legal citations and references to the intrinsic patent documents, the reasons why certain of this Court's newly fashioned claim constructions are legally erroneous or factually unfounded.

Acacia is mindful and appreciative of the inordinate amount of work by all parties and the Court, over several years' time, in connection with the claim construction process. Acacia, like all parties and the Court, wants the claim construction process to end. Nevertheless where, as here, the Court in its two most recent orders has departed from arguments and contentions of any party and taken positions which Acacia respectfully contends is demonstrably contrary to law and fact, a motion for reconsideration is both authorized and necessary.

II. ARGUMENT

A. The Requirements of a Motion For Leave For Reconsideration

As provided by Civil Local Rule 7-9(b), to be granted leave to file a motion for reconsideration Acacia must specifically show:

> (1) that at the time for motion to leave, a material difference in fact or law exists from that which was presented to the court before entry of the interlocutory order for which reconsideration is sought. The party also must show that in the exercise of reasonable diligence the party applying for reconsideration did not know such fact or law at the time of the interlocutory order; or (2) the emergence of new material facts or a change of law occurring after the time of

such order; or (3) a manifest failure by the court to consider material facts where dispositive legal arguments were presented to the court before such interlocutory order.

Separately set forth below, Acacia identifies the several terms that require reconsideration, provides a succinct statement of the bases for the requested reconsideration, and specifically shows how in each instance the requirements of Local Rule 7-9(b)(1)-(3) are satisfied.

B. Leave For Acacia to File a Motion For Reconsideration Addressing the Few Enumerated Terms Below Should Be Granted

1. "Transmission System" and "Receiving System"

This Court reconsidered and changed its earlier constructions of "Transmission System" and "Receiving System" in its Third Claim Construction Order ("3rd CCO"). In reconstruing those terms, the Court departed from all the ordinary meaning claim constructions urged by the parties and fashioned its own, new construction that was based on the Court's assessment that the terms "transmission system" and "reception system" are "coined terms," that the patentees were acting as their own lexicographers, and that the means language in the specification broadly describing the transmission and reception system of the patented invention requires the two terms as used in the '992 patent to be construed in means plus function format. Respectfully, these new, unanticipated and unargued legal conclusions are erroneous and a motion for reconsideration is necessary to promote fairness and due process.

As a proffer, the motion for reconsideration in connection with the terms "transmission system" and "receiving system" will be based, among other things, on the following facts and arguments that show a manifest failure by the Court to consider material facts or dispositive legal arguments which were presented to the Court before issuance of the 3rd CCO:

a. The Court's new statement that the phrases "transmission system" and "reception system" are "coined terms" is demonstrably inaccurate. Coined terms are made up terms that have absolutely no meaning in the prior art and therefore would have no meaning to persons of ordinary skill in the art at the time of the invention. This is clearly not the case here. For example, the term "transmission system" is defined in the IEEE Dictionary and is used in hundreds of prior art patents.

b. The Court's determination *sua sponte* that the patentees were acting as their own lexicographers was contrary to the assertions by the parties; the Court's determination was not supported by evidence in the specification evincing an intent by the patentees to be their own lexicographers with respect to those terms; and it is contradicted by repeated references in the specification that disclose numerous embodiments for transmission systems and reception systems in accordance with the inventions disclosed in the specification. The '992 patent does not disclose a single, particular transmission system or a single, particular reception system as this Court necessarily presumes by its new construction. The specification discloses multiple, alternative embodiments of the claimed inventions which are not limited to those embodiments.

c. The Court's *sua sponte* transmutation of the specifications' summary description of the transmission and reception systems using the words "means" into a lexicographical definition of transmission system and reception system in the claims requiring means plus function interpretation is unprecedented and legally erroneous.

2. "Placing the Formatted Data Into a Sequence of Addressable Data Blocks" and "Ordering the Converted Analog Signals and the Formatted Digital Signals Into a Sequence of Addressable Data Blocks"

This Court reconsidered and changed its earlier treatment of the phrase "placing the formatted data into a sequence of addressable data blocks." In the 1st CCO, the Court considered the term "ordering means," and stated: "The corresponding structure of the ordering means is the 'time encoder (Fig. 2a(114); ('992 patent 7:59-8:2 and 8:59-62). The claim element covers this corresponding structure and its equivalents." 1st CCO, p. 22. Then, in connection with construing the phrase, "placing the formatted data into a sequence of addressable data blocks," the Court declined to construe it, stating that "[i]n light of the Court's construction of the term "ordering means," the phrase "placing the formatted data into a sequence of addressable data blocks" does not require construction presumably because the Court had already constructed this phrase to mean "time encoding" in view of its construction of "ordering means." Id. at 23.

The Court has now revisited that phrase and construed it to mean "placing the formatted information into a sequence of data blocks, such that the ordering of the data blocks permits the retrieval of portions of information from items. Addressable does not refer to physical storage locations, but rather to positions relative to the beginning of a file containing information." 3rd CCO, p. 31.

The Court has similarly revisited the related phrase "ordering the … signals … into a sequence of addressable data blocks." In a distribution method in which a transmission system stores the information, this Court has now determined that the phrase "ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks" means "in the transmission system placing the converted analog signals and the formatted digital signals into a sequence data of blocks, such that the ordering of the data blocks permits the retrieval of portions of information from items." 3rd CCO, p. 28.

As a proffer, the motion for reconsideration in connection with the terms "placing the formatted data into a sequence of addressable data blocks" and "ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks" will be based, among other things, on the following facts and arguments that show a manifest failure by the Court to consider material facts where dispositive legal arguments which were presented to the Court before issuance of the Third CCO:

a. The Court's statement that the "ordering of the data blocks permits retrieval of the portions of information from items" is not consistent with the specification and cannot be legally correct. The specification makes clear that it is not the "order of the data blocks" that make them retrievable, but rather the relative time markers assigned to each data block.

b. Although the Court is correct when it states that "addressable" does not refer to physical storage locations, it is erroneous when it further states "but rather to positions relative to the beginning of a file containing information." There is no support in the specification that addressable has that meaning, and it could not have that meaning and still perform all of the functions that addressability accomplishes as listed in the specification, all of which can only be achieved through the use of relative time markers and time encoding.

c. If the Court is going to construe the meaning of "addressable by describing a function," it needs to identify all the functions of addressability specified in the '992 patent.

3. "Storing items having information in a source material library"

The '992 Patent in Claim 41 is a method claim using the phrase "storing items having information in the source material library." In its Third Claim Construction Order, the Court determined that that phrase means "placing physical items containing audio information or video information or both into a collection of original sources of information."

The Court used the word "placing" and provided this rationale:

> The word "storing" is an active verb with a common meaning. The specification is silent as to any capabilities of the source material library to do any function other than to hold items having information. Since a step in a method must be a manipulative step or act, words such as "placing" or "putting" are appropriate synonyms for "storing" in the context of Claim 41.

As a proffer, the motion for reconsideration in connection with the terms "storing items having information in the source material library" will be based, among other things, on the following facts and arguments that show a manifest failure by the Court to consider material facts or dispositive legal arguments which were present to the Court before issuance of the 3rd CCO:

a. The Court's own rationale discloses that it has interpreted the phrase "storing items having information in the source material library" to be inconsistent with the specification which describes no explicit placing or putting of physical objects into a source material library.

b. The Court's construction ignores the ordinary meaning of storing as "retaining data in a device" (IEEE Dictionary) or maintaining data in a device solely consistent with the specification. The Court's legally erroneous construction is apparently based upon a mis-application of the concept of "manipulative step or act." In concluding that "holding" or "maintaining" cannot be a manipulative step or act in the context of Claim 41, the Court does not sufficiently appreciate the nature of the method being practiced in that claim. This is a transmission method comprising several steps. The first step of which is "storing items having information in the source material library." In the context of this transmission method, items must remain stored and accessible to practice the method. The continued maintenance of items having information in a source material library so that they are accessible is no less an act than the separate and different act of inputting an item of information into a source material library in the first place.

c. The Court's claim construction does not take into account that, where the patentee in a related sister patent intended to mean the act of placing or inputting an item into a transmission system, the patentee used the word "inputting" not "storing." '863 patent, Claims 14 and 17.

4. Indefiniteness Issues in Claims 45 and 46 of the '992 Patent

In its Third Claim Construction Order, the Court declined to construe the phrase, "separately storing a plurality of files" as "arguably indefinite," based on the fact that there was no description of storage in multiple files in this specification. 3rd CCO, pp. 32-33. With respect to Claim 46 of the '992 Patent, the Court requested additional briefing concerning the sequence described in Claim 46, particularly with respect to when the element generating the "list of available items" takes place.

To the extent the Court has invited additional briefing on these issues, the local rule requiring leave for reconsideration with respect to these issues presumably need not be met. Nevertheless, Acacia respectfully requests an opportunity to demonstrate to the Court that reconsideration is required to show a manifest failure by the Court to consider material facts, or dispositive legal arguments which were presented to the Court before issuance of the 3rd CCO, as follows:

a. The Court was mistaken in connection with its indefiniteness expression concerning

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Claim 45, in that the specification does indeed describe storage in multiple files. (‘992 Patent, Column 10: 31-45.)

b. Acacia will address the issues for which further briefing requested by the Court in Claim 46, and further requests the opportunity to provide an expert declaration which addresses the indefiniteness issues raised by the Court in connection with both of those sets of claim terms.

C. Acacia Should Be Permitted Leave to Such Reconsideration Addressing the Limited Terms Identified Above for Reasons Other Than Those Listed in Local Rule 7-9

Acacia has previously observed and objected to the fact that Mr. Rainer Schultz has been used by the Court in this case as more than a technical advisor, without Acacia and the other parties receiving the procedural safeguards required of an expert under Rule 706, Fed. Rules of Evidence. Acacia has at all times preserved and maintained those objections. Because of Mr. Schultz’s undeniably extensive assistance to the Court in connection with the subject matter of the Third Claim Construction Order (as evidenced by his billings), and because of the extent the Court’s Third Claim Construction Order deviated from proposed constructions provided by any party to this litigation, fundamental fairness and due process require that Acacia have an opportunity to address these limited, identified issues for which reconstruction is sought.

III. CONCLUSION

For all these reasons and authorities, Acacia’s request for leave to file a motion for reconsideration should be granted.

DATED: March 26, 2007

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By /S/ Roderick G. Dorman
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PROOF OF SERVICE

STATE OF CALIFORNIA,)
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I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action; my business address is 865 South Figueroa Street, Suite 2900, Los Angeles, California 90017.

On March 26, 2007, I served a copy of the within document described as **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF ITS MOTION FOR LEAVE TO FILE A MOTION FOR RECONSIDERATION OF CERTAIN CLAIM CONSTRUCTION TERMS CONSTRUED BY THE COURT IN ITS THIRD CLAIM CONSTRUCTION ORDER AND ITS FOURTH CLAIM CONSTRUCTION ORDER** on the interested parties in this action by transmitting via United States District Court for the Northern District of California Electronic Case Filing Program the document listed above by uploading the electronic files for each of the above listed documents on this date, addressed as set forth on the attached Service List.

The above-described document was also transmitted to the parties indicated below, by Federal Express only.

Chambers of the Honorable James Ware
Attn: Regarding Acacia Litigation
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3 copies

I am readily familiar with Hennigan, Bennett & Dorman LLP's practice in its Los Angeles office for the collection and processing of federal express with Federal Express.

Executed on March 26, 2007, at Los Angeles, California.

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

/S/ Lisa Spears-McCorry
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